

Coal Excise Tax Mock-Up

Add Coal Excise Tax as a Revenue Stream for Coal

Include the Coal Excise Tax on the Revenues page (under How It Works):
<https://useiti.doi.gov/how-it-works/revenues/>

Payments to extract natural resources from any land or water in the U.S.

Coal excise tax would sit in the section reserved for payments from extraction from any land or water in the U.S.

Coal Excise Tax

Select Federal Revenue Streams and Statutory and Regulatory Rates



Surface	Bonus	\$3 annual rent per acre	12.5% of production value in royalties \$0.28 per ton Abandoned Mine Land Fee
Sub-surface	Bonus	\$3 annual rent per acre	8% of production value in royalties \$0.12 per ton Abandoned Mine Land Fee

In the United States, one of the taxes coal producers must pay is an excise tax when they mine coal. Producers¹ pay the tax when the coal is first sold or used. The tax does not apply to lignite or to coal mined in the United States for export. For more information, [click here](#).

Footnotes:

1. A producer is any person or entity that owns the coal after it's mined from the ground.

The format used in the federal lands section for DOI revenue streams can be utilized for consistency. The example at left is for visual purposes, the proposed content is below.

Surface	Excise tax	\$0.55 per ton or 4.4% of sales price (whichever of the two is lowest)
Subsurface	Excise tax	\$1.10 per ton or 4.4% of sales price (whichever of the two is lowest)

Source: Department of Labor, "[FY2016 Black Lung Disability Trust Fund Budget Justification](#)," p.8, 2016.

The explanatory paragraph would link to the "How it Works: Coal" section of website outlined on the following slide

Add Coal Excise Tax Write-Up on the Coal Page

Include write-up of Coal Excise Tax on the “How It Works: Coal” page of the website: <https://useiti.doi.gov/how-it-works/coal/>

Excise Tax on Coal

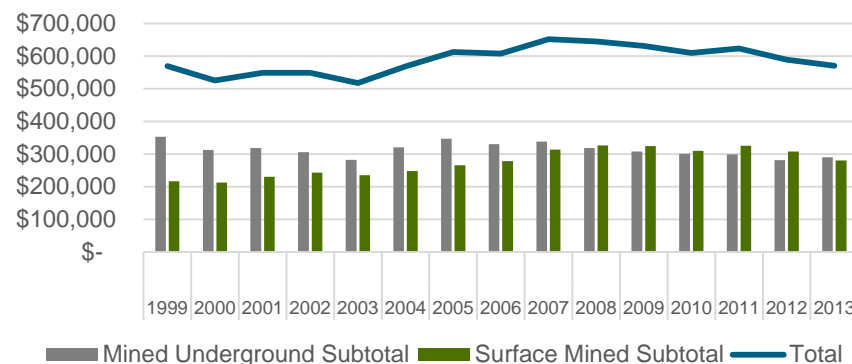
In the United States, one of the taxes coal producers must pay is an excise tax when they mine coal. Producers¹ pay the tax when the coal is first sold or used. The tax does not apply to lignite or to coal mined in the United States for export.

This tax originated in 1977 when Congress passed the Black Lung Revenue Act establishing the Black Lung Disability Trust Fund (BLDTF) and the excise tax on coal. The tax is the chief source of revenue for the BLDTF, which pays benefits to miners disabled by black lung disease, as well as their eligible survivors and dependents.²

Tax payments collected by the Internal Revenue Service (IRS) from the excise tax on coal are transferred to the BLDTF. Amounts in the BLDTF are available, as provided in appropriation acts, for benefit payments that are administered by the Department of Labor's Division of Coal Mine Workers' Compensation (DCMWC).³

The tax rate is \$1.10 per ton for coal from underground mines and \$0.55 per ton for coal from surface mines. Both rates are limited to a maximum of 4.4 percent of the coal's selling price.⁴ The coal excise tax rates are scheduled to decline to \$0.50 per ton for underground mines and \$0.25 per ton for surface mines (both limited to two percent of the coal's selling price). This change will occur on whichever date comes first: January 1, 2019 or the first January 1 when there are no more repayable advances from the General Fund to the Trust Fund and no unpaid interest on previous such advances.

Coal Excise Tax Revenue Trend



Source: Internal Revenue Service, “[Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Alcohol and Tobacco Tax and Trade Bureau, and Customs Service](#),” 2013.

For more information and statistics on the Black Lung Disability Program and Trust Fund see: <http://www.dol.gov/owcp/dcmwc/>

To read more on the coal excise tax and the Black Lung Disability Trust Fund, see the [FY2016 Black Lung Disability Trust Fund Budget Justification](#).

Footnotes:

1. A producer is any person or entity that owns the coal after it's mined from the ground.
2. Department of Labor, “[FY2016 Black Lung Disability Trust Fund Budget Justification](#),” p.8, 2016.
3. Department of Labor, “[FY2015 Agency Financial Report](#),” 2015. Department of Labor, “[FY2016 Black Lung Disability Trust Fund Budget Justification](#),” p.8, 2016.
4. Department of Labor, “[FY2016 Black Lung Disability Trust Fund Budget Justification](#),” p.8, 2016.